

NATIONWIDE COST ESTIMATE FOR "SMOKING ROOMS" *Low Estimate*

This series of schedules is a forecasting model for costs related to providing smoking rooms that meet OSHA proposed rules. The model produces estimates for two questions:

- 1) What is the estimated one-time construction cost for smoke rooms?
- 2) What is the annual recurring cost for leasing and maintaining smoke rooms?

In order to provide flexibility in the model, costs are presented by major industry category (agricultural services, mining, construction, etc.) and by strata of establishment employee size (less than 20 employees, 20 to 90, etc.).

The model calculates the nationwide one-time construction cost as follows:

	Total number of establishments in U.S.
X	<u>Percentage of establishments who will construct smoke rooms</u>
=	Total number of smoke rooms to be constructed
X	<u>Cost to build a smoke room</u>
=	<u>Total one-time construction cost</u>

The model calculates the annual lease and maintenance cost of smoke rooms as follows:

	Total number of establishments in the U.S.
X	<u>Percentage of establishments who will construct smoke rooms</u>
=	Total number of smoke rooms to be constructed
X	<u>Smoke room square feet</u>
=	Total smoke room square feet
X	<u>Lease and operating cost per square foot</u>
=	<u>Total annual smoke room lease and maintenance cost</u>

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Using the assumptions explained on the next page, the model yields the following results:

- One-time construction costs \$17,368,680,000
- Annual recurring lease and maintenance cost \$ 1,689,879,509

If the one-time construction costs were financed over 20 years at 10% interest, the annual principal and interest payments would be \$2,040,118,636.

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